



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1768-MC-FFS

DATE: February 17, 2017

TO: Iowa Medicaid Home Health Agencies (HHA)/Home Health Services Program

APPLIES TO: Managed Care (MCO) and Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Low Utilization Payment Adjustment (LUPA) Reimbursement Methodology Update

EFFECTIVE: Immediately

Pursuant to the authority of Iowa House File (HF) 2460, Conference Committee Report, passed by the Iowa General Assembly and approval received from the Centers for Medicare and Medicaid Services (CMS), the Medicaid LUPA reimbursement rates in effect on June 30, 2016, are to be increased to the extent possible within the state funding appropriation of \$1.0M. The following Home Health program services are impacted by this update:

- Revenue Code 421-Physical Therapy
- Revenue Code 431-Occupational Therapy
- Revenue Code 441-Speech Language Pathology
- Revenue Code 551-Skilled Nursing
- Revenue Code 561-Medical Social Service
- Revenue Code 571-Home Health Aide

The attached table identifies the increased LUPA rates effective July 1, 2016. The IME is currently in the process of updating the LUPA rates in the Medicaid Management Information System (MMIS). Subsequently, a mass adjustment will be transacted for Iowa Medicaid FFS claims submitted with dates of service on or after July 1, 2016. The remittance advice will include the adjusted claims detail over the next few weeks.

In addition, the IME has provided the updated managed care rate floors for services reimbursed under the LUPA methodology to the managed care plans for the IA Health Link Program.

If you have questions, please contact the IME Provider Services Unit at 1-800-338-7909 or email at imeproviderservices@dhs.state.ia.us.